

**DEPARTMENT OF STATE REVENUE****LETTER OF FINDINGS NUMBER: 02-0491****Individual Income Tax****For the Year ended December 31, 1999**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE(S)****I. Tax Administration – Interest**

**Authority:** IC 6-8.1-10.1

Taxpayer protests the interest assessed.

**STATEMENT OF FACTS**

Taxpayer filed its return with a refund due in the amount of \$564.46 that was refunded on April 26, 2000 as shown on its return. On July 30, 2002, the Indiana Department of Revenue issued its Proposed Assessment after it compared the Federal Return to the Indiana Return that resulted in additional tax due. Taxpayer had inadvertently used the Federal Taxable Income amount instead of the Federal Adjusted Gross Income reported on the Federal Return.

Taxpayer filed an interest protest dated September 4, 2002 stating that it the State could not charge interest on a refund it gave the taxpayer.

**I. Tax Administration – Interest****DISCUSSION**

Taxpayer protests the interest assessed and states it did not intend to file an erroneous return which was due to human error.

Taxpayer, however, filed IT-40 in error requesting a refund that the Department honored. During its review, the Department found that the Taxpayer had erred in the preparation of its return. The Department refunded the taxpayer the amount of tax shown overpaid. Due to a crosscheck with the Federal Return, it was determined that the taxpayer underreported its income. The Department has no statutory authority to waive interest.

**FINDING**

Taxpayer's protest is denied.